

EYES ONLY

1 NOV 1964

OGC REVIEW
COMPLETED

MEMORANDUM FOR: Acting Deputy Director (Support)

SUBJECT: Cash Shortage - [REDACTED]

25X1A6A

1. PROBLEM

25X1A6B To determine whether the [REDACTED] should be held
personally accountable or whether a net shortage in cash of
25X1A6A \$797.05 at the [REDACTED] should be written off to expense
in accordance with [REDACTED]

25X1

2. FACTS BEARING ON THE PROBLEM

25X1A6A

a. Upon receipt of the June 1964 station accounting from [REDACTED],
it became apparent to the Finance Division that the station
was not reconciling its cash on hand to the station records
and that there was a discrepancy between funds issued for
cashing purposes and funds reported as cashed. Tab A,
paragraph 1

25X1A9A
25X1A6A

b. [REDACTED], a Finance Division employee, was sent
to [REDACTED] in October 1964 to investigate the obvious dis-
crepancies appearing in the monthly station accountings. A
copy of his report indicating an overage of \$69.91 in U.S.
currency and a shortage of Rials 156,824.25 (\$1,866.96) is
attached as Tab A.

c. The Audit Office performed an audit of the station and sub-
mitted a report dated 22 February 1965 verifying the shortage
and overage stated in subparagraph b., above. Subsequently,
two additional discrepancies were discovered at headquarters.
These increased the overage in U.S. currency to \$769.91 and
reduced the shortage in Rials to 131,624.45 (\$1,566.96) for
a net cash shortage of \$797.05. Tab B, paragraph 5

25X1A6B

d. The [REDACTED] requested that the station be
relieved of accountability for the cash shortage because of:

(1) The volume of the clandestine purchases and disbursement
of large sums in notes of small denomination.

(2) Misplaced confidence in the disbursing officer and her
ability to perform the finance duties plus additional
administrative assignments.

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